

**Grantee: Arizona State Program**

**Grant: B-08-DN-04-0001**

**April 1, 2009 thru June 30, 2009 Performance Report**

**Grant Number:**

B-08-DN-04-0001

**Obligation Date:****Grantee Name:**

Arizona State Program

**Award Date:****Grant Amount:**

\$38,370,206.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Reviewed and Approved

**QPR Contact:**

Katherine Blodgett

**Disasters:****Declaration Number**

NSP

**Plan Description:**

In total, the State of Arizona (the State) received allocations in the amount of \$121.1 million, of which \$38.3 million was allocated directly (the Direct NSP Allocation) to the Arizona Department of Housing (ADOH). Arizonas foreclosures are characterized by the results of overbuilding of units based on forecasted population growth, overheated housing prices and high risk mortgage products and declining home prices. These characteristics prompted ADOH to work in conjunction with other Direct Grantees to ensure that the greatest number of Arizonans could participate in the NSP Program. The statewide investment strategy of all NSP Direct Grantees provides the full spectrum of eligible activities under the Act.

**Recovery Needs:**

ADOH will administer activities (NSP-eligible uses) described under letters (A) Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low-and moderate income [middle-income] homebuyers; and (E) Redevelop demolished or vacant properties, as stated in the Federal Register/Vol. 73, NO. 194/Monday, October 6, 2008/Notices.

In response to HUDs requirements, ADOH will 1) invest its Direct NSP Allocation into a statewide Soft Second Loan financing program to be directly administered by ADOH. The soft second will be used to assist homebuyers at or below 120% of Area Median Income in the purchase of foreclosed and vacant single family property with emphasis on those located in census tracts with a HUD foreclosure Risk Score of 7 or greater; 2) invest its Direct NSP Allocation in redevelopment of foreclosed and/or vacant and/or blighted multifamily properties; giving priority to properties in portfolios owned or guaranteed by HUD, Rural Development or other similar federal guarantors, as well as properties identified by Direct Grantees; and directly select for redevelopment foreclosed and/or vacant and/or blighted multifamily properties that are consistent with the preservation strategies outlined in the States Fourth Year Annual Action Plan.

ADOH anticipates investing approximately \$20,000,000 of its Direct NSP Allocation in financing mechanism Activity A and \$14,533,185 of its Direct NSP Allocation in the redevelopment of foreclosed and/or vacant and/or blighted multifamily properties to be targeted for individuals and families whose incomes do not exceed 50% of area median income or Activity E.

**Overall****This Report Period****To Date****Total Projected Budget from All Sources**

N/A

\$30,777,654.00

**Total CDBG Program Funds Budgeted**

N/A

\$30,777,654.00

**Program Funds Drawdown**

\$220,000.00

\$220,000.00

**Obligated CDBG DR Funds**

\$3,837,020.00

\$3,837,020.00

**Expended CDBG DR Funds**

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	99.99%	0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$5,755,530.90	\$0.00
Limit on Admin/Planning	\$3,837,020.60	\$0.00
Limit on State Admin	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

## Overall Progress Narrative:

Financing Mechanism activities 002,003,004 & 005 now underway as of May 1, 2009. Home purchase closings began the last week of June with draw requests for reimbursement to the respective responsible organizations beginning the first week of July. To date approximately 30 homebuyers are in various stages of the foreclosure purchase process including homebuyer education, purchase contract negotiations and mortgage credit approval. Additionally ADOH has developed application guidelines for the NSP assisted acquisition and rehabilitation of multi-family properties serving persons at or below 50%AMI. Once guidelines are approved by ADOH upper management a Notice of Funding Availability will be published requesting applications. ADOH anticipates this publication will occur in late August or early September.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
B-08-DN-04-0001-01, Administration	\$220,000.00	\$3,837,020.00	\$220,000.00
B-08-DN-04-0001-02, Financing Mechanism	\$0.00	\$20,000,000.00	\$0.00
B-08-DN-04-0001-03, Redevelopment	\$0.00	\$14,533,186.00	\$0.00

## Activities

<b>Grantee Activity Number:</b>	<b>001</b>
<b>Activity Title:</b>	<b>Planning and Administration</b>

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

B-08-DN-04-0001-01

**Project Title:**

Administration

**Projected Start Date:**

11/03/2008

**Projected End Date:**

03/29/2013

**National Objective:**

N/A

**Responsible Organization:**

ADOH

<b>Overall</b>	<b>Apr 1 thru Jun 30, 2009</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$2,737,020.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$2,737,020.00
<b>Program Funds Drawdown</b>	\$220,000.00	\$220,000.00
<b>Obligated CDBG DR Funds</b>	\$3,837,020.00	\$3,837,020.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

General planning and administration of HERA Act NSP Grant funds for grant number B-08-DN-04-0001. ADOH has 5.25 FTE devoted to the administration of the HERA NSP funding over the next 4 years.

**Location Description:**

Planning and Administration activities will take place at the offices of the Arizona Department of Housing, 1110 W. Washington, Suite 310, Phoenix Arizona 85007

**Activity Progress Narrative:**
**Performance Measures**

No Performance Measures found.

**Activity Locations**

No Activity Locations found.

**Other Funding Sources Budgeted - Detail**

No Other Match Funding Sources Found

<b>Other Funding Sources</b>	<b>Amount</b>
No Other Funding Sources Found	
Total Other Funding Sources	

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